

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: THE JESSCHEX CORPORATION (dba JESS CHEX FINANCIAL)
2524 S. Central Ave.
Los Angeles, California 90011

2514 E. 1st Street
Los Angeles, California 90033

7402 E. Florence Ave.
Downey, California 90241

CITATION
AND
DESIST AND REFRAIN ORDER
(For violations of California Financial Code section 23005 and 23020)

The California Corporations Commissioner finds that:

1. The Jesschex Corporation dba Jess Chex Financial (“Jess Chex”) is, and was at all relevant times herein, a California corporation, with its principal place of business located at 2524 S. Central Ave., Los Angeles, California 90011. Jess Chex has two further business locations situated at 2514 E. 1st Street, Los Angeles, California 90033 and 7402 E. Florence Ave., Downey, California 90241.

2. Jess Chex has engaged in the business of deferred deposit transactions by originating deferred deposit transactions as described below.

3. On or about December 31, 2004, Jess Chex obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at 2524 S. Central Ave., Los Angeles, California 90011 and 2514 E. 1st Street, Los Angeles, California 90033.

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1 4. Pursuant to California Financial Code sections 23005 and 23020, any person
2 engaged in the business of deferred deposit transactions must have a separate license for each
3 location in which it does deferred deposit transactions.

4 5. An examination of Jess Chex conducted by the Commissioner in March 2006
5 disclosed that Jess Chex was engaging in the business of deferred deposit transactions as an
6 originator at 7402 E. Florence Ave., Downey, California 90241. The examination further
7 disclosed that Jess Chex had engaged in originating approximately 41 deferred deposit
8 transactions at this location since at least January 1, 2006.

9 6. A deferred deposit transaction is a written transaction whereby one person gives
10 funds to another person upon receipt of a personal check and it is agreed that the personal check
11 shall not be deposited until a later date.

12 7. Jess Chex had not been issued a license by the Commissioner authorizing it to
13 engage in the business of deferred deposit transactions under the California Deferred Deposit
14 Transaction Law (California Financial Code §§ 23000 et seq.) at the Downey location.

15 8. Jess Chex is not exempt from the licensing requirements of California Financial
16 Code section 23005 for the Downey location.

17 By reason of the foregoing, Jess Chex has engaged in the business of deferred deposit
18 transactions without having first obtained a license from the Commissioner in violation of
19 California Financial Code sections 23005 and 23020.

20 Pursuant to California Financial Code section 23058, Jess Chex is hereby ordered to pay
21 to the Commissioner an administrative penalty in the amount of two thousand five hundred
22 dollars (\$2,500).

23 Pursuant to California Financial Code section 23050, Jess Chex is hereby ordered to
24 desist and refrain from engaging in the business of deferred deposit transactions in the State of
25 California at any location that is not licensed by the Commissioner, or otherwise exempt.

26 This Citation and Order is necessary, in the public interest, for the protection of
27 consumers and is consistent with the purposes, policies and provisions of the California Deferred
28 Deposit Transaction Law. This Citation and Order shall remain in full force and effect until

1 further order of the Commissioner.

2 California Financial Code section 23058 provides, in relevant part:

3 (a) If, upon inspection, examination or investigation, based upon a
4 complaint or otherwise, the department has cause to believe that a person
5 is engaged in the business of deferred deposit transactions without a license,
6 . . . the department may issue a citation to that person in writing, describing
7 with particularity the basis of the citation. Each citation may contain an
8 order to desist and refrain and an assessment of an administrative penalty not
9 to exceed two thousand five hundred dollars (\$2,500)
10 . . .

11 (c) If within 30 days from the receipt of the citation of the person cited fails
12 to notify the department that the person intends to request a hearing as
13 described in subdivision (d), the citation shall be deemed final.

14 (d) Any hearing held under this section shall be conducted in accordance with
15 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2
16 of the Government Code

17 California Financial Code section 23050 provides:

18 Whenever, in the opinion of the commissioner, any person is engaged in the
19 business of deferred deposit transactions, as defined in this division, without
20 a license from the commissioner, or any licensee is violating any provision
21 of this division, the commissioner may order that person or licensee to desist
22 and to refrain from engaging in the business or further violating this division.
23 If, within 30 days, after the order is served, a written request for a hearing is
24 filed and no hearing is held within 30 days thereafter, the order is rescinded.

25 Dated: May 23, 2006
26 Los Angeles, CA

27 WAYNE STRUMPFER
28 Acting California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law